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Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 TRSE-00 SS-15 NSC-05 IGA-02
XMB-02 L-03 AID-05 CEA-01 CIAE-00 COME-00 EA-07
FRB-03 INR-07 IO-13 NEA-10 NSAE-00 USIA-06
OPIC-03 SP-02 LAB-04 SIL-01 AGRE-00 OMB-01 /111 R

DRAFTED BY EB/IFD/OMA:CHERVIN:CAB
APPROVED BY EB:PHBOEKER
EUR/WE-KSMITH
TREASURYP.OCONNELL
EUR/CE - R.CASAGRANDE(INFO)
----------016177 301124Z /10
R 300112Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY BONN
INFO AMEMBASSY LISBON

C O N F I D E N T I A L STATE 179031

E.O. 11652; N/A

TAGS: EFIN, PO, GW

SUBJECT:FINANCIAL ASSISTANCE FOR PORTUGAL

REF: BONN 11909

1. PORTUGAL'S RESERVES ARE BEING DRAWN DOWN MORE RAPIDLY THAN WAS EXPECTED. THE PORTUGUESE HAVE BEEN WORKING WITH THE IMF ON MEASURES TO STEM THESE UNUSUALLY LARGE OUT-FLOWS BUT THE GOP STILL HAS NOT REACHED ANY DECISION. IT IS POSSIBLE THAT ADDITIONAL ASSISTAXCE MAY BE NEEDED TO SUPPORT PORTUGUESE EFFORTS TO STABILIZE THE SITUATION. THE U.S. IS WATCHING DEVELOPMENTS CLOSELY AND AWAITING THE GOP'S DECISIONS ON A PROGRAM TO DEAL WITH THE OUTFLOW PROBLEM.
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2. CONGRESSIONAL ACTION ON THE U.S. LOAN IS ALMOST COM-PLETE. THE AUTHORIZING LEGISLATION HAS BEEN PASSED BY BOTH THE HOUSE AND SENATE AND IS AWAITING SIGNATURE BY THE PRESIDENT. THE FY78 FOREIGN ASSISTANCE APPROPRIATIONS BILL, WHICH INCLUDES $300 MILLION FOR THE LOAN TO PORTU-GAL HAS BEEN PASSED BY THE FULL HOUSE AND REPORTED OUT

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FAVORABLY BY THE FULL SENATE APPROPRIATIONS COMMITTEE. REMAINING STEPS ON THE APPROPRIATIONS BILL ARE: (1) FULL SENATE ACTION, (2) CONFERENCE COMMITTEE CONSIDERATION

AND (3) FINAL ACTION BY BOTH HOUSES ON THE CONFERENCE COMMITTEE BILL. WE DO NOT ANTICIPATE THAT THE PORTUGUESE LOAN WILL BE DISCUSSED BY THE CONFERENCE SINCE HOUSE AND SENATE BILLS ARE IDENTICAL IN APPROVING APPROPRIATION OF $300 MILLION LOAN WITHOUT RESTRICTIONS. THERE ARE SERIOUS DIFFERENCES BETWEEN THE HOUSE AND SENATE BILLS ON OTHER ISSUES AND IT IS NOT YET CLEAR WHETHER FINAL ACTION WILL OCCUR NEXT WEEK OR AFTER THE AUGUST CONGRESSIONAL RECESS. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, ECONOMIC CONDITIONS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: CHERVIN:CAB
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770274-0125
Format: TEL
From: STATE
Handling Restrictions: n/a
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Litigation History:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 BONN 11909
Retention: 0
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Review Content Flags:
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1718441
Secure: OPEN
Status: NATIVE
Subject: FINANCIAL ASSISTANCE FOR PORTUGAL
TAGS: EFIN, PO, GE, US, IMF
To: BONN
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/c2e88662-c288-dd11-92da-001cc4696bcc
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